

## **Senator Kent Conrad (D-ND) - Senate Floor Statement on Farm Bill - 5/7/02**

Mr. CONRAD. Mr. President, I have been listening to the Senator from New Mexico, the ranking member of the Budget Committee, former chairman of the Budget Committee, and a very valued member of that committee. But I must say I disagree with his conclusions about this farm bill. Let me just enumerate the reasons.

First of all, while it is true a new budget resolution has not yet passed, it is also true under the rules of this body that the previous budget resolution guides our actions until the new budget resolution is passed. The budget resolution under which we are operating provides for the amount of money that is in this farm bill. This farm bill is entirely within the budget requirements under which we are operating.

No. 2, every budget that has been presented for the next year includes this same amount of money. The budget the President has presented, the budget the House presented, the budget that has passed the Senate Budget Committee--each and every one of them has the same amount of money for a new farm bill that was in last year's budget resolution. So the question of what the budget resources are is not in doubt.

The fact is, the Congressional Budget Office has provided an estimate of cost. That is always the case when the Senate and the House are considering legislation. They do an estimate of the cost. We operate under that cost until the job is finished. We don't change the estimates in the middle of the effort. We don't change the rules in the middle of the game. They made an estimate, and we are living with it today. We don't change estimates in the middle of a legislative agenda because to do so would make the work of Congress virtually impossible. If we changed the estimates every time the Congressional Budget Office made a new estimate, the committees would never know what resources they had to deal with. So this is a longstanding practice of the Senate and the Senate Budget Committee.

Once the action has been taken in the Senate and in the House, as it has been, we don't change the estimates in the conference committee. That would create chaos. So the fact is, the estimates we were operating under when the bill was considered in the House, and then considered in the Senate, were the same estimates used in the conference committee, the same estimates being used today, and the reason there is no budget point of order against the farm bill that is being considered.

Those are the facts. These budget estimates that were done by the Congressional Budget Office and were used by the Senate and House as they worked up a farm bill were made in good faith. Now, with later information, they may alter them somewhat, but we have to follow the assumptions that were made at the time the legislation was considered. We certainly don't change the estimates in the middle of legislative activity or in the conference committee to resolve the differences between the Senate and House farm bills.

Let's lay the budget issue to rest. There is no budget point of order against this bill. This bill is in full compliance with the requirements of the Budget Act. That is No. 1.

No. 2, why is this farm bill necessary? I read the eastern press, and they are panning this bill almost on a daily basis. I submit to you that many of these newspaper writers, editorial writers, have never set foot in my State. They clearly have not paid much attention to what our farmers are up against in this international environment. We are not an island unto ourselves in the United States. We are up against very tough, determined competition from countries all around the world that are doing much more for their producers than we are doing for ours. Let me repeat that. Our major competitors are doing much more for their producers than we are doing for ours. To abandon our producers is to put them on an

uneven playing field. To create a circumstance in which they cannot fairly compete would be a profound mistake for this country, for our producers and, ultimately, for our economy.

Let me just direct people's attention to this chart, which says it very clearly and very well. Our major competitors are the Europeans. Their supports are far higher than U.S. supports for farmers. The most recent data available show the average support level in Europe is \$313 per acre. That is how much assistance the Europeans give their farmers--\$313 an acre. Here is the comparable level of support in the United States: \$38 an acre. It is \$38 an acre in the United States and \$313 an acre in Europe.

It is no wonder there are hard times in rural America. It is no wonder there are hard times up and down the main streets of every rural city and town. It is no wonder if you go to the European countryside, it is prosperous. Why? Because our European friends have decided they are willing to put out a lot of money to have a prosperous rural countryside so everybody doesn't go to town. They don't want everybody to go to town. They want people out across the land. What else? They want to have an assured source of supply. The Europeans have been hungry twice. They never want to be hungry again, and they are willing to pay to make certain the productive capacity is out across their countryside and to make certain they are never hungry again.

It doesn't end there. These are not KENT CONRAD's numbers or Budget Committee numbers; these are from the Organization for Economic Cooperation and Development's analyses of the different support levels in different parts of the world. These are the numbers of the official scorekeepers internationally. They are the ones who do the determinations of actual support in various regions of the world.

As I have indicated, it doesn't end there because if we look at export support, export subsidies, we find the European Union floods the world with agricultural export subsidies. This pie shows the amount of export support in the world. The blue part of this pie is Europe's share. Europe accounts for 84 percent of all the world's agricultural export subsidy--84 percent.

Here is the United States' share: Less than 3 percent. Less than 3 percent of the United States; 84 percent in Europe. They are outgunning us almost 30 to 1. That is what our competitors are up to.

By the way, they have gone from being the biggest importing region in the world to being nearly the biggest exporting region in the world in 20 years, and they did it the old-fashioned way: They bought the markets. They bought markets that were traditionally ours.

Some of our opponents on the other side would say to American farmers: You go out there and compete against the French farmer and the German farmer, and while you are at it, you take on the French Government and the German Government as well. That is not a fair fight. Our farmers are ready, willing, and able to compete against anybody any time, but it is not fair to put them up against the treasuries of European nations. It is not fair to put them up against the Treasury of the Government of France and the Government of Germany and the Government of England. That leaves the playing field tilted badly against them. That puts American farmers in a circumstance in which they cannot possibly compete and succeed, through no fault of their own.

To do something other than to try to level the playing field is to abandon our farmers. It is to wave the white flag of surrender and say to the Europeans: You just take it, take it all; take the agricultural base, and while you are at it, take the 20 million jobs that go with it; take the jobs in distribution, in transportation, in marketing; take them all. Because that is what they would like to do, and that is why they are spending so much to achieve that very result.

We do not have to look very far to see what is occurring in world agriculture. All we have to do is study the annual statistics, and we can see very clearly the pattern and plan of the Europeans. We can either decide to wave the white flag of surrender, engage in what I call a unilateral surrender, or we can fight back.

That is a fundamental question before this body as we consider this farm bill: Are we going to fight back, or are we going to roll over and surrender? That is a fundamental question for this country. Do we want to maintain the capacity to produce food in this country, or do we want to be dependent on foreign countries for our sources of food? That is a fundamental issue before this body in considering this farm bill.

I pray this country makes the decision that we are going to try to level the playing field; that we are going to fight back; that we are going to give our farmers a fair, fighting chance. To do otherwise is to abandon them in this international competition.

This farm bill has improved countercyclical support. That was a key failure of the last farm bill. The last farm bill said: The market is going to work even though other countries are not following it, even though other countries have these massive programs to intercede, to maintain a network of family farms across their countries. We know it did not work. How do we know? Because we had to pass economic disaster bills in each of the last 4 years, economic disaster bill after economic disaster bill because the previous farm bill was a disaster itself. This is an attempt to provide a stronger structure under agriculture so we do not have to repeatedly come back to our colleagues to ask for economic disaster assistance.

Let me make clear, we may have to come back for natural disasters; indeed, I think we will because none of us can predict when a hurricane might strike, when we might have a tornado, when a part of the country might be hit by drought or overly wet conditions. Natural disasters often require a response. None of us can predict when they might strike, what their effects might be. But economic disasters, which were created in part by the last farm bill, hopefully we can prevent.

We do it with higher loan rates, and with optional updating of bases and yields--those are the determinations of what a farmer's base is for support. We do it with a new marketing loan program for pulse crops: dry peas, lentils, and small chickpeas, which are important in crop rotations in part to break the disease cycles we have seen and that have contributed the need for disaster programs in recent years. There is the repeal of the sugar loan forfeiture penalty, a penalty that should never have been imposed in the first place.

The bill has country of origin labels for imported meat, fish, produce, and peanuts. This is critically important. Have we learned nothing from what has happened in the rest of the world? Europe has been hit by mad cow disease and by hoof and mouth disease, and they have responded by creating a system that will allow them to know where each animal came from, the specific farm the animal came from, because they know they need to have that information.

I had the Ambassador from Uruguay in my office just last week. They are creating a system to know the origin of the food they eat. In Uruguay, they are going to be able to track an animal back to the farm it came from, so if there is a problem, they can trace it and isolate it and prevent an expansion. That is just common sense.

Think of how many times we have heard on the news that there is a recall of food products, and they provide you the listing of the number on the can so we know what to look for. What would they do if there were no numbers on the cans of processed foods and we did not know what to look for? What

would we do when they found there was a problem of tainted product and they had no way to track it? We would either have to throw it all away or take our chances.

There is a better way. We have found that better way. It is to know the source of the food. That is what we are doing in this bill. Yet there are people who are still railing against doing what anybody with any common sense knows we need to do. We need to know the origin of the food we are eating. That is basic. That is basic to dealing with foot and mouth disease, that is fundamentally important to dealing with mad cow disease, that is fundamentally important to dealing with possible terrorist threats, so that if any problem develops, we can trace the source of our food, we can isolate it, and we can eliminate the threat. That is common sense, and this bill provides it.

This conference report also includes a strengthened commitment to rural development, conservation, trade, and, yes, nutrition programs.

In conservation alone, I was amazed to read an editorial that suggested that somehow the commitment to conservation in this farm bill was inadequate. What farm bill are they talking about? This bill has increased the commitment to conservation by 80 percent, and yet they said it was insufficient. Mr. President, an 80-percent increase is insufficient?

We need to do a better job of conserving our soil. We need to do a better job of conserving our precious water resources. This bill makes major strides in that direction.

One of the key elements of the bill is the signature piece of the chairman of the Agriculture Committee, Senator Harkin of Iowa, who authored the conservation security program which is part of this bill. He has said something that I think is going to resonate in history because he has declared: We are not going to just continue conservation programs the same old way, we are going to make a departure. We are not going to just have the Federal Government pass laws that become regulations and then, if people do not follow them, we penalize them. Instead, he says: With the conservation security initiative, we are going to establish what national priorities are in conservation, and then we are going to provide an incentive program for farmers to comply.

That is a profound difference in the relationship between the Federal Government and agricultural producers. It is a profound change. It is precisely the right change. It says to farmers, when we identify a national priority, we will respond; we will respond with an incentive to encourage you to adopt that practice.

That is important. That is important to the environment. That is important to producers. That is important to the Nation. That will provide a template for future Government relations with the people for whom we work. He has made an enormous contribution. This is a \$2 billion program that fundamentally changes the relationship between the Federal Government and producers across this country.

This bill also includes a renewed commitment to rural development: \$1 billion in new funding to encourage and strengthen economic development in the rural parts of this country. It is badly needed. Certainly, in my part of the country, we continue to lose population.

We also have the trade title. We are facing tough competition and we need to fight back. One billion dollars in additional funds is in the trade title. We will have an aggressive outreach to other countries to buy American products from American producers. That is what an American farm bill ought to be about.

I saw with great interest what the Republican chairman of the Agriculture Committee in the House of

Representatives said about this bill. He said this is not a bill for France. This is not a bill for Canada. This is a bill for American farmers and American consumers. This is an American farm bill.

Chairman COMBEST has that exactly right. This is a bill for America. It is a bill that deserves our support. I was proud to work with the conferees on this bill. Chairman COMBEST, a member I developed great respect for in all the hours of negotiation, is truly an outstanding leader for American farmers, American consumers, and American taxpayers. He was concerned about them all in this conference.

So was Congressman STENHOLM, the ranking member of the House Agriculture Committee. No one would want to meet a tougher negotiator than Congressman STENHOLM. He was very tough. He knew there was a lot at stake for this country, for our producers, for our consumers.

To our own conferees, I want to say thank you. Thanks especially to Senator Harkin, who day after day after day stayed and negotiated and fought for a strong farm bill because he knew what would happen if we failed. If you are ever in trouble, you want someone like TOM HARKIN fighting for you in the Senate because he is determined and he will not give up. This farm bill is a great testimony to his leadership.

I could not leave out our own leader, Senator Daschle, who at key times came into the negotiations to help us over the rough spots. He showed great wisdom, great patience, and great leadership. We thank him for all he contributed. He represents a farm State. He knew what was at stake.

Considerable thanks as well to Senator Leahy. I have never seen anyone more determined on behalf of his constituents than Senator Leahy. We listened to a lot of detailed debate on the merits of the dairy provisions of the bill. This bill was improved because of that determination.

Now a word about those on the other side. Senator Lugar, the ranking member of the Agriculture Committee, disagrees with what we have produced. He has made that clear. I have enormous respect for DICK LUGAR. He is one of the most knowledgeable

Members of this Chamber on a wide range of issues. On foreign policy questions, there is nobody I would rather talk to or listen to before reaching a conclusion than DICK LUGAR. He is an extraordinarily intelligent man, a person of great character. He speaks against this bill out of principle. I respect that. I don't agree with him in this case. I think I have outlined some of my reasons for disagreement, but he makes a very strong case, an intellectually honest case. I disagree with him. However, his argument is intellectually honest, and he has been very clear and forthright throughout the entire procedure. He made very clear he wasn't for this, every step of the way. I admire Senator Lugar. My respect for him has done nothing but grow, although I disagree with his fundamental conclusion.

Others say this costs too much money, and I understand that. I am chairman of the Budget Committee. I wish we didn't have to spend this kind of money. Friends, our competitors are spending much, much more. To spend less is to say to our people, tough luck; you are out of business. That would be a profound mistake.

Let me close by urging my colleagues to support this bill. It deserves their support. It is a balanced bill. It is within the budget. It is a bill that will make a difference for our country over time. Not immediately, no. It will not solve all the problems immediately.

To our colleagues who say this bill costs way too much, we ought to present it in context. In the year 2000, we spent \$32 billion helping our producers. In 2001, we spent \$22 billion. This is on a fiscal year basis. That is different than on a crop-year basis. On a fiscal year basis, these are the numbers: \$32 billion

in 2000 and \$22 billion in 2001. In 2002, it will be \$14.2 billion. In 2003, it will be \$19.1 billion. The red bars are the amount added over the current farm bill. So for 2002, without this legislation, it would still cost \$12.7 billion in that fiscal year. In the year 2003, it would cost \$12.3. This bill adds \$6.8 billion to take us up to \$19.1 billion for fiscal year 2003, which will start October 1.

Remember we are coming from much higher levels of expenditures when you count the underlying farm bill plus the economic disaster payments we have enacted. This chart shows that, although we have healthy levels of expenditures in this new farm bill--more than \$70 billion more than we would have had under the old farm bill--we actually have less than was paid out by the Federal Government under the old farm bill plus the economic disaster payments made in each of the last 4 years.

I conclude by reminding those who are listening that we are up against fierce competition from our major competitors in Europe who are spending much more than we are, providing much higher levels of support for their producers than we provide for ours, and on top of that, are spending much more to promote their exports than we spend to promote our agricultural exports. Those are the facts. I hope our colleagues will remember when we reach a conclusion that this is a bill that is critically important to American agriculture.

A major farm group leader in my State responded tellingly when I posed the question, What happens without this bill? His reaction was immediate and strong: Senator, without this bill there will be a race to the auctioneer.

That is exactly right. This bill is all that stands between a race to the auctioneer in every farm community in this country and the continuing viability of the family farm network that has served this country so well.

Mr. HARKIN. Will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. HARKIN. I thank the Senator for his kind words. I thank my friend and my colleague from North Dakota for two things: First, for his great leadership as head of our Budget Committee and for giving the guidance and direction and providing the budget for what we need to do; and for being on the Agriculture Committee and providing his expertise on budget matters as we work through the farm bill, both in the committee, on the Senate floor, and in conference. He has been great. I compliment the Senator.

I can say without fear of contradiction that many times we might have been persuaded to go in a different direction--let's say on the farm bill in the conference--had it not been for the Senator from North Dakota, whose expertise and knowledge of the budget came to the forefront and carried the day for us so we got the bill that we got.

I thank my friend from North Dakota for, again, being there every day. The Senator said I was there every day. He knows because he was there every day that I was, on the farm bill conference. I thank him for that. I also thank the Senator for always pointing out in these negotiations, when we are talking about trade, what the Europeans are doing compared to us. We cannot ever forget that. This farm bill that we passed, this is for our farmers, for our ranchers. This is not for the European farmers and the European ranchers and the South American farmers. This is for our farmers. We ought to make no excuse for it, none whatsoever. We are sticking up for our producers in this country.

I have one last thing to say to the Senator from North Dakota about the chart he had up recently about

the money we are spending on agriculture. I think I read an editorial, maybe it was in the Wall Street Journal--or someplace else--going after how much money we are spending on agriculture. I asked to get a run here from CBO on their baseline projections from now for the 10 years of this farm bill compared to the total outlays of the Federal Government. If you take the outlays of the Federal Government for the next 10 years, CBO says that comes to \$22.245 trillion. Add up all the spending on agriculture for everything; that comes to \$206.2 billion--.93 percent of all the spending the Federal Government is going to do in the next 10 years goes for agriculture.

That is a small price to pay, I say to my friend from North Dakota, for having the best food supply, the most productive capacity in the world, the cheapest food, and the safest food anywhere in the world. I think when the American people see that, they will say: Yes, this is the kind of farm bill we need. Ninety-three percent? I say to my friend from North Dakota, I believe the average American will say that less than a penny out of every dollar to keep our farmers in business is a very small price to pay.

I thank the Senator from North Dakota, again, for his wisdom, guidance, and judgment on these matters as we work through this farm bill.

Mr. CONRAD. Mr. President, I conclude by thanking my colleague, Senator Harkin, the chairman of the committee, who really did an outstanding job getting this bill through the committee, through the Senate, and through the conference. Certainly, thanks also go to our colleague on the other side of the aisle, Senator Lugar, for his passionate position and his wisdom. Even when he disagreed, he would provide us with observations that guided us in terms of altering what would otherwise have been a weaker bill. So I thank him and recognize his very professional staff as well.

Senator Lugar, we thank you and your staff.

On Senator Harkin's staff, I want to thank Mark Halverson. Mark, who is the staff director of the Agriculture Committee, showed enormous diplomacy going through this process. This is tough stuff. It is extraordinarily complicated. There were hundreds and hundreds of hours of deliberation. I thank Mark Halverson for always keeping his cool and for his wisdom in keeping a focus on the ultimate goal.

I also thank Susan Keith as well, who worked so hard on this bill. We appreciate all that she meant to its conclusion.

On my staff, I thank Tim Galvin and Scott Stofferahn. Tim Galvin and Scott Stofferahn were an extraordinary team. They played a key role throughout this process.

Tim Galvin, who used to be on the staff of former Senator Bob Kerrey of Nebraska, who served as head of the Foreign Agricultural Service in the Clinton administration, joined my Budget Committee staff more than a year ago. I could not have chosen better. He has been absolutely outstanding.

Scott Stofferahn, who is on my State staff, commuted--and this was truly a case of long distance commuting--to participate in the deliberations on this bill because he headed the Farm Services Agency in North Dakota under the previous administration for 8 years and knew the details of farm programs backwards and forwards. He was really indispensable to our efforts. So special thanks to Tim and Scott, to the staff members of Senator Harkin and the staff members of Senator Lugar, and certainly to our colleagues on the House side.

There were times we had very deep disagreements in the conference committee, but one thing you never questioned was that each and every Member was doing his or her level best for the farmers of this

country, for the taxpayers of this country, for the consumers of this country. We had different ideas about what that represented, but I never questioned the good faith of any member of that conference committee, including those who disagreed with us.

Certainly to Congressman COMBEST and Congressman STENHOLM, we appreciate your patience. The patience of each of us was tried at times, but it was an important effort.

I yield the floor.